



Community Development Block Grant (CDBG) Redesign Working Group

Summary of Meeting

January 19, 2018
9:30 am – 2:30 pm

Participants: Lorie Adams, Amy Bergstrand, Danielle Brandon (phone), Rob Choate, Esperanza Colio, Terry Cox, C.J. Freeland, James Hacker (phone), Rachelle Kellogg (phone), Thomas Last, Susan Long, David Loya, Jeff Lucas, Jessaca Lugo (phone), Heather MacDonald, Robert Mansfield, Genevieve Morelos (phone), Gurbax Sahota, Meagan Tokunaga, Kathleen Weissenberger, Chris Westlake, Ashley Werner

HCD: Jeri Amendola, Lisa Bates, Evan Gerberding, Charles Gray, Nicolé McCay, Diane Moroni, Ginny Puddefoot, Karen Patterson, Patrick Talbott, Chris Webb-Curtis

Agenda Items

Welcome and Introductions

Ginny Puddefoot walked through the High-Level Timeline to ensure that the expectations for the work is clear. Ginny announced that Jeri Amendola has agreed to assume the lead position, and thanked her for her willingness to step up.

Charles Gray reported that the NOFA Unit received 63 applications of which 52 passed threshold review and are currently in the scoring process. The total requested amount of the 63 applications is \$194 million, of which \$2.7 million was requested for Economic Development activities. Awards announcements are anticipated in mid-March. There was a discussion about the disparity between CD and ED applications, and there was some speculation that perhaps ED applicants are awaiting the redesign before going to the trouble and expense of submitting an application when the redesigned program will provide additional clarity for the process and requirements.

HCD agreed to convene a meeting of the CDBG Advisory Committee meeting to discuss additional issues separate from the RWG. The meeting will include at least the following topics: 1) update on close-out process, 2) environmental finding from HUD, and 3) the 50 percent waiver.

HCD agreed to send information about the CDBG Advisory Committee for other RWG members who may be interested in participating in that group.

Reports from RWG Subgroups

Ginny requested that RWG members read over the Issues Log that was sent on January 17, 2018; provide feedback or edits where necessary in case HCD has misrepresented what was

originally said; add any issues that may not already be included; and, send those back to Jeri Amendola to compile into a clean copy for our next meeting. Further, Ginny suggested that we all consider these issues in terms of what is a no-brainer (low-hanging fruit), what issues might be non-starters (federal regulation or federal/state statute does not allow), and what are “meaty” solutions worthy of discussion.

Increasing Expenditure Subgroup: This group has not met again. Without guidelines, it is difficult to move forward.

Economic Development Subgroup: In Jeff Lucas’ absence, Gurbax Sahota said that it is not clear how much “wiggle” room there is to the current process. She also reported that there is pressure on legislative staff to move ED from HCD to be administered by another agency through an interagency agreement. Gurbax reported she is not sure which agency, but she heard discussions about the iBank.

Program Income (PI): There have been a few calls among the group. They are working on options for components of a PI reuse plan. The subgroup is also trying to develop a system that is more turn-key especially given staff limitations to include lists that are prescriptive to save more time. Kathleen Weissenberger said she is available to talk with the group or with Terry Cox about Revolving Loan Funds (RLFs).

Side-by-Side Comparison of Federal and State Regulations

Clint Whited from Enterprise joined the call to walk through his process for the side-by-side comparison of federal and State regulations. There was a lengthy discussion about the flexibility in guidelines and clarification about what guidelines actually are. HCD explained that because the process for creating and receiving approval for regulations is lengthy and cumbersome, by changing to guidelines, the language can be updated more easily as policies, federal rules, and circumstances change.

There was a discussion about the general consistency of the State’s regulations with the federal program. Clint remarked on the many citations in the State regulations that necessitate additional research on the part of the reader. He suggested that in the development of the guidelines, HCD keep citations to a minimum without clarifying what the citation says.

There was a discussion about application of the use of 2 CFR Part 85, which is now 2 CFR Part 200 in which procurement rules grantees should follow. There was general agreement that in the development of the guidelines, HCD must be very clear in language about how grantees should use the CDBG program and that using the federal standard for procurement can be considered “safe harbor.”

Kathleen reported that she is completing the analysis report of State policies and has found few differences between the federal and State management memos and other policy documents. It is anticipated that the report will be available to the RWG as soon as available and in advance of the February 9 meeting.

As the group walked through the side-by-side document, areas that merit additional discussion were charted. That document (charted issues) will be sent with the draft meeting summary. The group agreed to walk through the remainder of the side-by-side document and send additional comments by January 26.

Enterprise Technical Assistance

Patrick Jordan from Enterprise described the process undertaken to fulfill the contract with HUD to provide technical assistance to HCD. The initial plan was to identify slow spenders, find out why they are slow, and determine what can be done to get them moving. Few jurisdictions that were contacted as part of the process were willing to talk about their programs, answering specific questions from Enterprise. There were several RWG members who expressed willingness to respond to questions and provide additional contact information. It was agreed that those individuals would let Jeri know; and Jeri will forward the additional contact information to Enterprise should they choose to reach out to additional jurisdictions.

Internal Operations Feedback

Karen Patterson reported on some of the preliminary findings from HUD's monitoring review and requested input from the RWG members on their opinion about the ease or difficulty tackling some of the findings through recommended actions. The areas included timing distribution, internal controls, workflow and structure, business process improvements, project management, communications protocol, program income reporting, and monitoring. RWG members were asked to state in response to each suggested action whether taking that action would be easy, neutral, or difficult. She will report at the February 9 RWG meeting on the results of that exercise.

November 17 Meeting Summary

After reviewing the draft meeting summary that was sent out on January 19, comments/corrections should be sent to Chris Webb-Curtis at HCD. In the future, summaries will be sent out within one week of the meeting.

Calendar Future Meetings

The next meeting is February 9, 2018, from 9:30 to 2:30. The March meeting date was changed to March 16, 2018.

Next Steps

1. A CDBG Advisory Committee meeting will be scheduled.
2. Information on the CDBG Advisory Committee will be sent out to the RWG members in case there is interest in joining that group.
3. The State CDBG Statute will be sent to the RWG members.